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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER

8-28666

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/2019 AND ENDING 12/31/2019

MM/DD/YY

MM/DD/YY

A. REGISTRANT IDENTIFICATIONNAME OF BROKER-DEALER: **BedRok Securities LLC**

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

555 Theodore Fremd Avenue - Suite C-301

(No. and Street)

Rye**New York****10580**

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Richard J. Caplan

914-740-1501

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Friedman LLP

(Name - if individual, state last, first, middle name)

100 Eagle Rock Avenue, Suite 200 East Hanover**New Jersey 07936**

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant☐ Public Accountant☐ Accountant not resident in United States or any of its possessions.**FOR OFFICIAL USE ONLY**

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (11-05)

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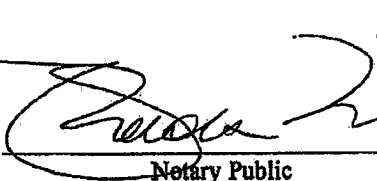
OATH OR AFFIRMATION

I, Richard J. Caplan, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BedRok Securities LLC, as of December 31, 2019, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:


Signature

President

Title


Notary Public

CLAUDIA UVALDO
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01066107853
QUALIFIED IN DISTRICT OF COLUMBIA COUNTY
COMMISSION EXPIRES APRIL 12, 2020

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

****For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

BedRok Securities LLC
Index to the Financial Statements
December 31, 2019

Table of Contents

	Page
Report of Independent Registered Public Accounting Firm	1
Financial Statements:	
Statement of Financial Condition	2
Notes to Financial Statements	3-7

FRIEDMAN LLP®

ACCOUNTANTS AND ADVISORS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member
of BedRok Securities LLC

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of BedRok Securities LLC as of December 31, 2019, and the related notes (collectively referred to as the “financial statement”). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of BedRok Securities LLC as of December 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

This financial statement is the responsibility of BedRok Securities LLC’s management. Our responsibility is to express an opinion on BedRok Securities LLC’s financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to BedRok Securities LLC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Emphasis of Matter – Withdrawal of FINRA License and Business Closure

In forming our opinion we have considered the adequacy of the disclosures included in Note 11 to the financial statements concerning the withdrawal of the Company’s license from the Financial Industry Regulatory Authority, Inc. (FINRA) and the intended closure of the business activities. These factors have no impact on the Statement of Financial Condition as of December 31, 2019. Our opinion is not modified with respect to this matter.

Friedman LLP

We have served as BedRok Securities LLC’s auditor since 2010.

East Hanover, New Jersey
February 25, 2020

100 Eagle Rock Avenue, Suite 200, East Hanover, NJ 07936 p 973.929.3500 f 973.929.3501

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Your livelihood, empowered.

An Independent Member Firm of DFK with offices worldwide.



BedRok Securities LLC
Statement of Financial Condition
Year Ended December 31, 2019

ASSETS

Cash	\$ 70,099
Securities owned, at fair value	72,391
Due from clearing broker	4,397,158
Deposit with clearing organization	250,000
Other receivables	17,555
Other assets	<u>37,884</u>
Total Assets	\$ <u>4,845,087</u>

LIABILITIES AND MEMBER'S EQUITY

Liabilities	
Securities sold, not yet purchased, at fair value	\$ 3,193,602
Accounts payable and accrued expenses	162,924
Accrued interest payable	<u>5,039</u>
Total Liabilities	<u>3,361,565</u>
Commitments and contingencies	
Member's Equity	<u>1,483,522</u>
Total Liabilities and Member's Equity	\$ <u>4,845,087</u>

BedRok Securities LLC
Notes to Financial Statements
December 31, 2019

Note 1. Summary of Significant Accounting Policies

Description of Business

BedRok Securities LLC (the “Company”) is a broker dealer registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”). The Company’s parent company, CapRok Capital LLC (the “Parent”), is owned by two members. The Company operates sales offices in New York and Texas and acts as a broker and dealer of products consisting primarily of asset backed securities, corporate bonds and stocks.

The Company has an agreement with a clearing broker (“Broker”) to clear securities transactions, carry customers’ accounts on a fully disclosed basis and perform certain record keeping functions.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Concentration of Credit Risk for Cash

The Company maintains its cash balances at one financial institution. These balances are insured by the Federal Deposit Insurance Corporation subject to certain limitations.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Other Receivables

Other receivables are stated at the amounts management expects to collect. An allowance for doubtful accounts is recorded based on a combination of historical experience, aging analysis and information on specific accounts. Account balances are written off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Management has determined that no allowance is required at December 31, 2019.

Depreciation and Amortization

Property and equipment are depreciated on a straight-line basis over their estimated useful lives which range from five to seven years. Leasehold improvements are amortized over the shorter of their useful lives or the remaining life of the lease. At December 31, 2019, all property and equipment was fully depreciated and abandoned.

BedRok Securities LLC
Notes to Financial Statements
December 31, 2019

Note 1. Summary of Significant Accounting Policies (continued)

Fair Value Measurements

United States generally accepted accounting principles ("GAAP") requires certain financial assets and liabilities to be measured at fair value. GAAP defines fair value, provides guidance for measuring fair value, requires certain disclosures and discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow) and the cost approach (cost to replace the service capacity of an asset or replacement cost). GAAP also provides for a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs that reflect management's own assumptions.

Recent Accounting Pronouncements

Adoption of New Accounting Standard

In February 2016, the FASB issued ASU 2016-02, Leases, which creates ASC 842, Leases. This guidance requires a lessee to account for leases as finance or operating leases. Both types of leases will result in the lessee recognizing a right-of-use asset and a corresponding lease liability on its statement of financial condition. The new guidance was effective for the Company beginning January 1, 2019.

The Company has elected, for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. We recognize lease cost associated with our short-term leases on a straight-line basis over the lease term.

BedRok Securities LLC
Notes to Financial Statements
December 31, 2019

Note 2. Securities Owned and Sold, Not Yet Purchased

Marketable securities owned and sold, not yet purchased, consist of trading debt and equity securities recorded at market values, as follows:

	<u>Owned</u>	<u>Sold, Not Yet Purchased</u>
U.S. Treasury securities	\$ 3,943	\$ 101,424
Equities	6,904	2,037,678
Asset backed securities	58,819	-
Corporate bonds	<u>2,725</u>	<u>1,054,500</u>
	<u>\$ 72,391</u>	<u>\$ 3,193,602</u>

Generally, for all U.S. Treasury securities, equities, and, to the extent possible, for debt securities, fair value is determined by reference to quoted market prices and other relevant information generated by market transactions, and thus have been valued using level 1 inputs. Asset backed securities and corporate bonds are valued using level 2 inputs.

Fair value has been determined by the clearing broker utilizing proprietary pricing models to evaluate the level 2 holdings.

Note 3. Other Assets

Other assets consist of the following:

Prepaid regulatory fees	\$ 16,297
Prepaid insurance	14,960
Prepaid market data	<u>6,627</u>
	<u>\$ 37,884</u>

Note 4. Due From Clearing Broker

The due from clearing broker is comprised of amounts the clearing broker owes the Company for transactions previously consummated.

Note 5. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following:

Accounts payable and accrued expenses	\$ 82,380
Accrued payroll expenses	<u>80,544</u>
	<u>\$ 162,924</u>

BedRok Securities LLC
Notes to Financial Statements
December 31, 2019

Note 6. Commitments

The Parent's obligation under a non-cancelable operating lease expired on February 28, 2019 and has subsequently been leased on a month to month basis. The Company does not have an executed sub-lease agreement with the Parent for this location but is responsible for making monthly rent payments to the landlord.

Note 7. Regulatory Requirements

As a registered broker-dealer, the Company is subject to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, which requires that the Company's aggregate indebtedness shall not exceed fifteen times net capital, as defined, under such provision. At December 31, 2019, the Company had net capital of \$656,399, which exceeded requirements by \$556,399. The ratio of aggregate indebtedness to net capital was 0.25 to 1.

The Company operates its securities transactions under the provisions of (k)(2)(ii) of Rule 15c3-3 of the Securities and Exchange Commission as a fully disclosed broker-dealer and accordingly, customer accounts are carried on the books of the clearing broker.

Note 8. Financial Instruments With Off-Balance Sheet Risk

In the normal course of business, the Company's customer activities involve the execution and settlement of various customer securities. These activities may expose the Company to off-balance sheet credit risk in the event the customer is unable to fulfill its contracted obligations. The Company is therefore exposed to risk of loss on these transactions in the event of a contra party being unable to meet the terms of their contracts, which may require the Company to purchase or sell financial instruments at prevailing market prices.

Note 9. Risks and Uncertainties

The Company invests in certain securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of financial condition.

BedRok Securities LLC
Notes to Financial Statements
December 31, 2019

Note 10. Guarantees and Contingencies

FASB ASC 460, Guarantees, requires the Company to disclose information about its obligations under certain guarantee arrangements. FASB ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying liability that is related to an asset, liability or equity security of a guaranteed party. FASB ASC 460 also defines guarantees as contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement as well as indirect guarantees of the indebtedness of others.

The Company guarantees all of the customer margin account balances held by its clearing broker. The Company is responsible for payment to its clearing broker for any loss, liability, damage, cost or expense incurred as a result of customers failing to comply with margin or margin maintenance calls on all margin accounts. Given the existence of the underlying collateral provided as well as the negligible historical credit losses, the Company does not maintain any loss reserve.

Note 11. Subsequent Events

The Company elected in February 2020 to cease all trading and sales activities. It is expecting to wind up all business activities in the very near term, close outstanding accounts at the clearing firm, satisfy any remaining liabilities from existing assets and withdraw its license from FINRA. The Firm has notified the clearing firm and FINRA of these intentions and is proceeding to finalize.

**BEDROK SECURITIES LLC
ANNUAL AUDITED REPORT
FORM X-17A-5
PART III
SEC FILE NO. 8-28666
YEAR ENDED DECEMBER 31, 2019
AND
REPORT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM**